A State Policy Blueprint & Primer: Advancing a Path to Prosperity

Thursday, November 2, 2017 2:00 pm - 3:30 pm EDT

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This webinar is being recorded.

All webinar attendees are muted to ensure sound quality.

Ask a question or make a comment at any time by typing it into text box of GoToWebinar Control Panel.

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WELCOME

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The Prosperity Now mission is to ensure everyone in our country has a clear path to financial stability, wealth and prosperity.

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AGENDA

- What Do Racial Inequities in Household Financial Security Look Like?
- Which Policies Can Make a Difference?
- What Does this Look Like in Practice?
- Essential Policy Design Considerations
- Q&A
- Next Steps

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Let's learn about our audience. How would you best describe your organization?

- Federal, state, and/or local advocacy organization
- Direct service provider
- Academic or research institution
- Government office
- Funder/foundation
- Other (tell us in the discussion box!)

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A STATE POLICY BLUEPRINT & RACIAL EQUITY POLICY DESIGN AND ADVOCACY PRIMER
Household Financial Security Framework

**NAVIGATE**
the financial system, gather information and analyze choices to make beneficial financial decisions and manage household resources

**LEARN**
the basic skills, executive function and specific job skills needed to access quality employment

**EARN**
sufficient income (from wages, employer benefits, public benefits, tax credits, etc.) to cover expenses and save

**SAVE**
household income left over after meeting basic needs and paying down debt for emergencies and the future

**OWN**
a home, business, investments and/or other assets that build financial security and wealth

**PROTECT**
household earnings and assets via insurance, consumer protections and other services and policies
WHICH POLICIES MATTER?

- Stretching Income
- Removing Barriers to Savings
- Jumpstarting Long-Term Savings
- Bolster Homeownership and Affordable Housing

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INCOME-SUPPORTS TO ENCOURAGE SHORT-TERM SAVINGS FOR WORKING FAMILIES OF COLOR:

People of color disproportionately work in low-wage occupations. Stretching and supplementing limited household income allows families to set aside savings. These policies help families get by and get ahead.

**Policy Solution 1:**
Establish a refundable state Earned Income Tax Credit that is at least 15% of the federal credit and expand eligibility to more workers.

**Policy Solution 2:**
Increase education funding for Head Start programs and provide a supplemental Head Start grant to help programs meet federal match requirements.
REMOVE BARRIERS TO SHORT-TERM SAVINGS FOR PEOPLE OF COLOR:

Saving is difficult enough without policies that discourage and strip families of hard-earned savings. These policies aim to remove barriers and protect financial security.

**Policy Solution 1:**
Remove asset limits from public benefits programs (TANF, SNAP and LIHEAP) to ensure families are not penalized for saving. financial futures.

**Policy Solution 2:**
Protect consumers from the cycle of small-dollar debt perpetuated by predatory lenders.
EMPOWERING COMMUNITIES OF COLOR TO SAVE FOR LONG-TERM GOALS:

Saving for long-term assets like education, homeownership and retirement are fundamental to prosperity and economic mobility over generations. These policies can promote access for historically marginalized groups.

Policy Solution 1: Encourage matched savings programs like Individual Development Accounts.

Policy Solution 2: Encourage saving for college through Children’s Savings Account programs and lower tuition costs for undocumented students.

Policy Solution 3: Promote access to retirement savings programs for workers without employer-sponsored plans and strengthen accompanying financial education.
Despite deep setbacks during the recession, affordable housing and homeownership remains critical to long-term wealth and prosperity. These policies help create opportunities for families to rent and own safely and sustainably.

**Policy Solution 1:**
Provide a range of supports for first-time homebuyers.

**Policy Solution 2:**
Pass legislation explicitly barring “source of income” discrimination to increase fair housing options.

**Policy Solution 3:**
Enact state-level property tax credit programs.
Illinois Asset Building Group

www.illinoisassetbuilding.org
@ILAssetBuilding
@HeartlandPolicy

IABG is a Project of Heartland Alliance
Putting Equity at the Center of your Policy Platform

We incorporate an equity lens into our policy platform so that we are evaluating our policy work within the context of structural and institutional racism, and guarding against advancing policies that help some individuals while harming others. Some of the types of questions we ask ourselves include:

- What are the unintended consequences of this policy?
- Who would benefit from this? Who would be hurt? Who would be left out?
- Does this policy perpetuate or increase inequities currently embedded in the system?
RESOURCES: CHANGE BEGINS WITH EACH ONE OF US

There is a growing body of resources available to help different sectors own and advance their pieces of the solution to righting racial inequity. Included here are just a few examples (as hyperlinks) to support your efforts, by no means an exhaustive list:

- Playbook for corporations and businesses in advancing hiring of young men of color
- Toolkit for leaders looking to create an inclusive and anti-racist organization
- Tools for local government in addressing racial equity
- Toolkit for housing developers on affirmatively furthering fair housing
- Resources for financial institutions seeking to foster equity
- Toolkit for advocates seeking equity in policy change
Building Brighter Futures: Children’s Savings Accounts in Illinois

Racial Wealth Audit

The Institute on Assets and Social Policy (IASP) at Brandeis University modeled how the racial wealth gap in Illinois would change under two different scenarios proposed by the Illinois Children’s Savings Account Task Force. They focused their analysis on the effects these policy scenarios would have on young adult households (those aged 18–34) who were beneficiaries of children’s savings accounts over the course of their lifespan. In both scenarios, increasing access to children’s savings accounts would significantly reduce the racial wealth gap (see appendix B for more information about the IASP methodology).

Both scenarios would involve opening accounts for all children born in Illinois at birth; contributions from the state when the account is opened, plus a supplemental contribution for low-income children; and an annual savings match from the state for those who meet income eligibility. A three percent rate of return is assumed in both scenarios.

Modeling assumes that incentives and matches are targeted to low-income households at or below 185 percent of poverty and therefore, that wealth gains from CSAs are concentrated among this group. Utilizing the report of the task force, the analysis projects increases in wealth for participating low-income households based on two scenarios.

Scenario #1 has a larger initial and supplemental deposit and a 2:1 match with a lower

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<tr>
<th>Scenario 1</th>
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<tr>
<td>Initial Deposit</td>
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<td>Supplemental Deposit</td>
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<td>Annual Parental Contribution</td>
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<td>Savings Match</td>
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Audience Poll #2

Which question or statement below best represents your current thoughts?

- I can’t talk about race, it’s a non-starter in my state.
- Our organization focuses on low-income, high-need communities. Why do we need to bring race into it?
- I want to think about racial equity, but we’re already overwhelmed - equity takes time and time is a luxury.
- We don’t know any communities of color who want to be involved.
- Other (tell us in the discussion box!)

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ESSENTIAL POLICY DESIGN CONSIDERATIONS

• Estimating the impact of policies on communities of color
• Targeted universalism
• Overlapping policies
• Estimating outcomes

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What questions do you have? Share them in the Questions box!
NEXT STEPS

- **Contact us** to discuss how you can use the *Primer* and the *Blueprint* in preparing for the next legislative session.

- **Check out the Scorecard** for a full list of policies we track - [http://scorecard.prosperitynow.org/](http://scorecard.prosperitynow.org/)

- **Continue learning** by registering for the [next webinar](http://www.prosperitynow.org/take-action) on Debt in Low- and Moderate-Income African American Communities by heading to [Prosperity Now → Take Action → Learning Events](https://www.facebook.com/groups/ProsperityNowActionCenter/)

- **Register** with the Prosperity Now Advocacy Center at [www.prosperitynow.org/take-action](http://www.prosperitynow.org/take-action) and the Action Center on Facebook at [https://www.facebook.com/groups/ProsperityNowActionCenter/](https://www.facebook.com/groups/ProsperityNowActionCenter/)
The Prosperity Now Community

facilitates learning | creates connections | & inspires action

to create and improve programs and policies that foster opportunity, especially for those who have not had it before.

Get involved in the Community today!
Sign up to stay informed about Prosperity Now and the Community.
Sign up today at prosperitynow.org/join.

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Take Action at the Prosperity Now Advocacy Center!

Make your voice heard by calling, emailing, tweeting or scheduling a visit with your Members of Congress with a fast and simple click of a button!  
https://prosperitynow.org/take-action

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Thank You!

Please take our survey following the webinar.